

INTERIM STATEMENT  
THIRD QUARTER 2023



SHAPING  
TOMORROW

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# OVERVIEW OF KEY FIGURES

## Financial figures

		Q3 2023	Q3 2022	Q1 - Q3 2023	Q1 - Q3 2022
<b>Order situation</b>					
Order book (September 30)	EUR million			491.0	588.2
<b>Income statement</b>					
Revenue	EUR million	297.1	318.6	936.1	940.9
Cost of materials ratio	%	47.7	47.3	45.0	47.5
Personnel cost ratio	%	27.1	24.1	26.1	24.9
Adjusted EBIT <sup>1</sup>	EUR million	24.8	27.0	74.5	79.7
Adjusted EBIT margin <sup>1</sup>	%	8.3	8.5	8.0	8.5
EBIT	EUR million	19.5	21.4	58.6	63.0
EBIT margin	%	6.6	6.7	6.3	6.7
Financial result	EUR million	-6.6	-3.4	-15.7	-7.9
Adjusted tax rate	%	39.4	42.3	36.5	32.3
Adjusted profit for the period <sup>1</sup>	EUR million	11.0	13.7	37.3	48.6
Adjusted earnings per share <sup>1</sup>	EUR	0.35	0.43	1.17	1.52
Profit for the period	EUR million	7.1	9.4	25.4	36.1
Earnings per share	EUR	0.22	0.29	0.80	1.13
<b>Cash flow</b>					
Cash flow from operating activities	EUR million	48.9	12.4	41.9	19.6
Cash flow from investing activities	EUR million	-13.3	-17.3	-44.6	-31.9
Cash flow from financing activities	EUR million	-3.3	-6.9	-31.6	-37.0
Net operating cash flow	EUR million	38.6	-3.8	25.6	6.0
<b>Balance sheet</b>					
		Sep 30, 2023	Dec 31, 2022		
Total assets	EUR million	1,539.6	1,560.7		
Equity	EUR million	710.3	705.4		
Equity ratio	%	46.1	45.2		
Net debt	EUR million	400.6	349.8		

<sup>1</sup>Adjusted exclusively for acquisition effects.

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**Non-financial figures**

		Sep 30, 2023	Dec 31, 2022
<b>Workforce</b>			
Core workforce		6,051	6,175
Temporary workers		2,204	2,532
Total workforce		8,255	8,707
		<b>Q1 - Q3 2023</b>	<b>Q1 - Q3 2022</b>
<b>Non-financial figures</b>			
Number of invention applications	Number	14	17
CO <sub>2</sub> emissions (Scope 1 and 2) <sup>1</sup>	Parts per Million (PPM)	3,049	3,343
Defective parts	Tons of CO <sub>2</sub> equivalents	1.9	3.0
<b>Share data</b>			
Stock exchange		Frankfurt Stock Exchange, Xetra	
Market segment		Regulated market, (Prime Standard), SDAX	
ISIN / Security identification number / Ticker symbol		DE0000A1H8BV3 / A1H8BV / NOEJ	
Highest price / Lowest price Q1-Q3 2023 <sup>2</sup>	EUR	26.72 / 17.55	
Closing price as of September 30, 2023 <sup>2</sup>	EUR	13.83	
Market capitalization as of September 30, 2023 <sup>2</sup>	EUR million	559	
Number of shares		31,862,400	

<sup>1</sup> Since fiscal year 2023, only CO<sub>2</sub> emissions, which are also used as a component of the Management Board remuneration in connection with the ESG LTI, have been considered a key non-financial performance indicator. Previously, non-financial performance indicators were defined as follows: CO<sub>2</sub> emissions, invention disclosures, and defective parts per million (PPM); CO<sub>2</sub> emissions excluding Energy Attribute Certificates (EAC) amounted to approximately 36,280 t CO<sub>2</sub>e (Q1 - Q3 2022: 33,844 t CO<sub>2</sub>e) in the first nine months of 2023.

<sup>2</sup> Xetra price.

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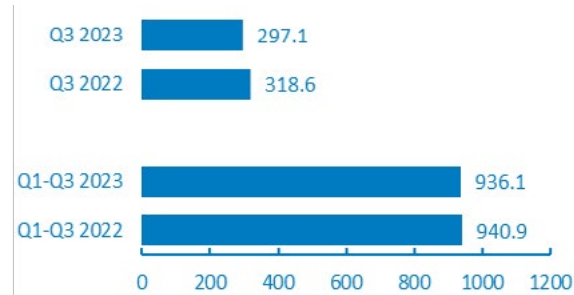
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# HIGHLIGHTS Q1-Q3 2023<sup>1</sup>

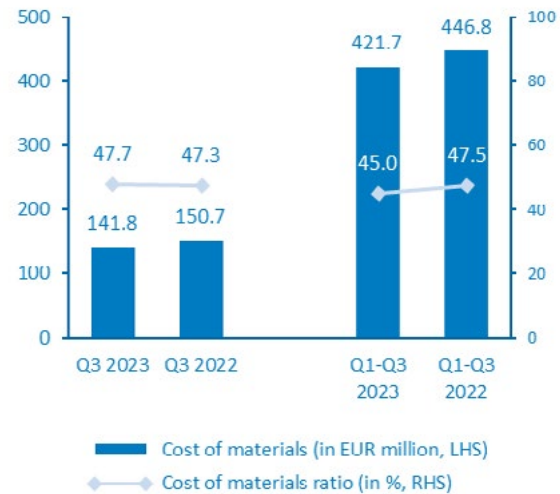
## Development of Group Sales in EUR million



## Effects on Group Sales

	EUR million	Share in %
Group sales Q1-Q3 2022	940.9	
Organic growth	14.2	1.5
Currency effects	-19.0	-2.0
<b>Group sales Q1-Q3 2023</b>	<b>936.1</b>	<b>-0.5</b>

## Cost of Materials and Cost of Materials Ratio



## Development of Sales Channels

Engineered Joining Technology (EJT)	Q1-Q3 2023	Q1-Q3 2022
Group sales (in EUR million)	540.3	520.3
Growth (in %)	3.8	
Share of sales (in %)	58.0	55.7

Standardized Joining Technology (SJT)	Q1-Q3 2023	Q1-Q3 2022
Group sales (in EUR million)	391.7	413.3
Growth (in %)	-5.2	
Share of sales (in %)	42.0	44.3

<sup>1</sup> Adjustments are described on page 12.

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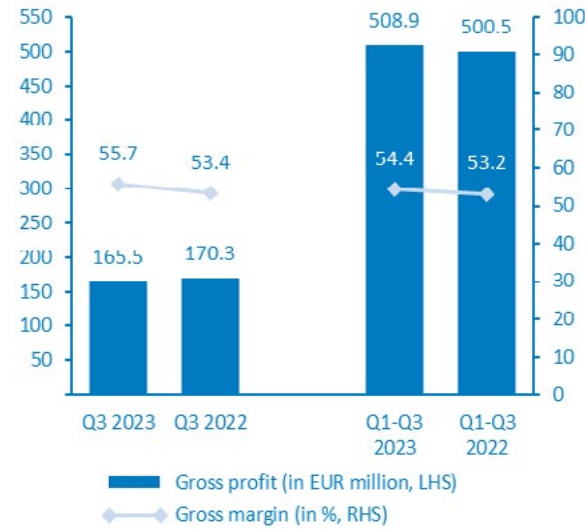
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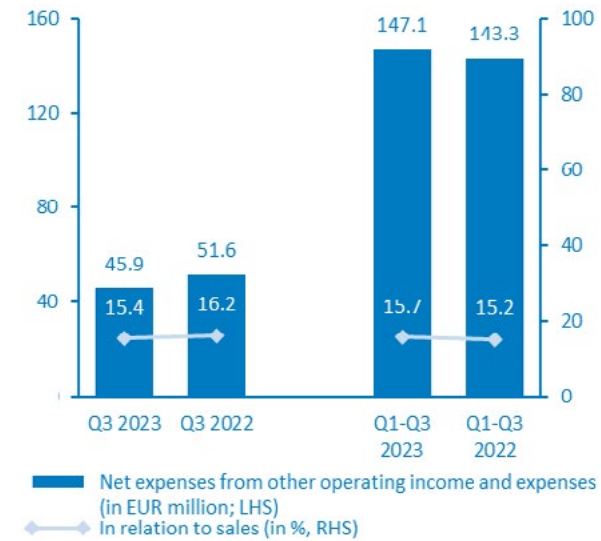
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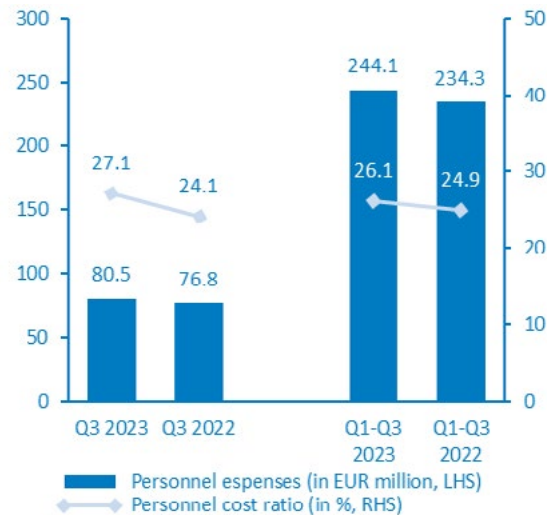
Gross Profit and Gross Profit Margin



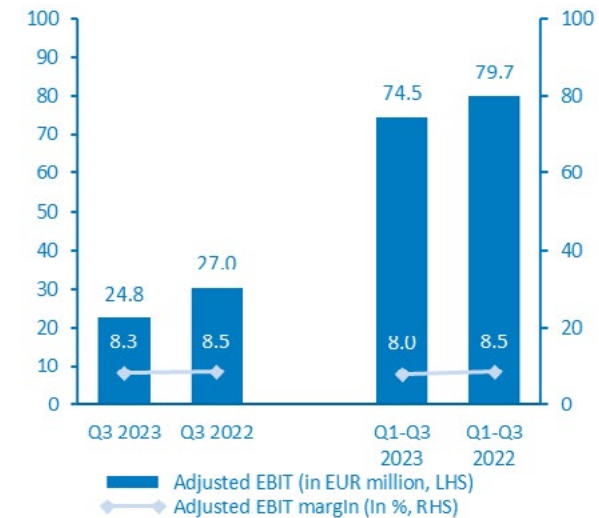
Net Expenses from Other Operating Income and Expenses as well as in Relation to Sales



Personnel Expenses and Personnel Cost Ratio



Adjusted EBIT and Adjusted EBIT Margin



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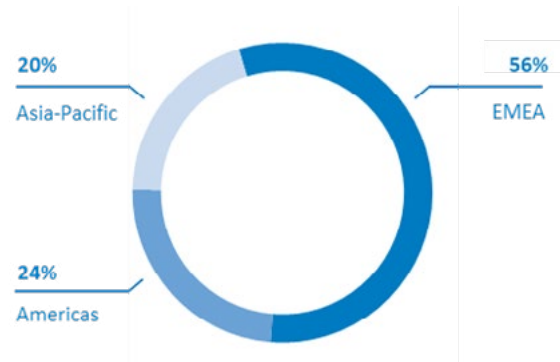
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Core Workforce per Segment



Net Operating Cash Flow

in EUR million	Q1-Q3 2023	Q1-Q3 2022
EBITDA	117.7	122.9
Change in working capital	-48.6	-81.6
Investments from operating business	-43.4	-35.3
<b>Net operating cash flow</b>	<b>25.6</b>	6.0

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NORMA Group published its 2023 Half-Year Report on August 8, 2023. In this context, the Investor Relations team of NORMA Group SE published its second HTML-based online Half-Year Report. The company is thus steadily continuing on its path to digitalization in the area of financial communication. The (online) 2023 Half-Year Report can be viewed and accessed in detail on the Investor Relations website. [WWW.NORMAGROUP.COM](http://WWW.NORMAGROUP.COM)

**NORMA Group completes financing that includes a sustainable component**

NORMA Group SE concluded its financing with a platform-based promissory note with sustainability components in the amount of EUR 120 million in the third quarter of 2023. The company is using the proceeds from the transaction to repay existing financial liabilities and for general corporate financing.

The promissory note was issued in tranches with maturities of three, five and seven years and fixed and variable interest components. The interest margin is increased or decreased by 2.5 or 5 basis points depending on NORMA Group's sustainability rating. A consistent improvement in the various sustainability criteria also leads to savings in the financing costs of the new promissory note. The company is thus consistently implementing its sustainability strategy as in previous transactions.

Further information on the new financing that includes a sustainable component can be found on NORMA Group's press page: [WWW.NORMAGROUP.COM](http://WWW.NORMAGROUP.COM).

**Development of key performance indicators in the third quarter of 2023**

NORMA Group recorded Group sales of EUR 936.1 million in the first nine months of 2023. Organic sales growth was 1.5%, but currency effects had a negative impact of 2.0%. This resulted in a slight decline of 0.5% on a year-on-year comparison. While the EMEA region developed positively overall in the first nine months of 2023 due to strong demand from the automotive industry and good business in the area of Standardized Joining Technology, the Americas region showed a downward trend compared to the exceptionally good period of the previous year. In the first nine months of 2023, this affected the water business of the subsidiary NDS on the one hand, which was nevertheless able to achieve a positive development in organic sales in the third quarter of 2023 after a subdued first half of 2023; overall, there was also a prioritization of earnings quality over pure order growth. On the other hand, the development of sales revenue in the Americas region was impacted by the extension of the strikes in the automotive industry. The Asia-Pacific region also fell short of the previous year. This was triggered, among other factors, by negative currency effects.

Adjusted EBIT reached EUR 74.5 million in the period from January to September 2023 and the adjusted EBIT margin was 8.0%. Net operating cash flow improved significantly compared to the same period of the previous year. It amounted to EUR 25.6 million in the first nine months of 2023. This development is mainly due to a significantly lower build-up of (trade) working capital in the current reporting period compared to the end of 2022.

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### Growth and efficiency program “Step Up”: Implementation progressing as planned

NORMA Group publicly announced a new growth and efficiency program entitled “Step Up” on May 9, 2023. The medium-term program is aimed at driving NORMA Group’s strategic and operational development. The measures are divided into growth and investment plans for the three strategic business units Industrial Applications, Water Management as well as Mobility and New Energy (“Growth”) and measures to increase operational efficiency (“Operational Efficiency”). The aim of NORMA Group under the “Step Up” program is to achieve profitable growth in all three strategic business units.

Among other initiatives, the **Growth** area of measures involves systematically implementing the alignment along the three strategic business units in the corporate organization. For example, in Water Management and Industrial Applications, growth is to be strengthened by winning stable business. In the Mobility and New Energy business unit, NORMA Group intends to be even more focused and selective in this respect. Against this backdrop, decisions on long-term (growth) investments will also be increasingly made by the individual strategic business units in the future. This will put NORMA Group in an even better position to respond to the specific needs of customers in a more targeted and, at the same time, globally uniform manner. Close customer relationships will become even more central to all corporate activities. In addition to concentrating on increasing organic growth, potential acquisition targets are also constantly analyzed. This follows the approach of sensibly complementing the water business in Europe, among other objectives.

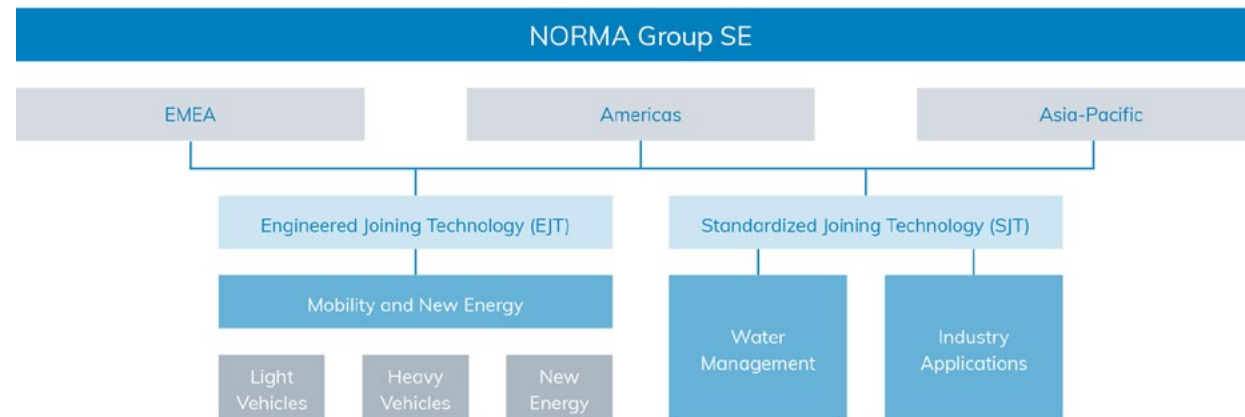
The measures in the area of **Operational Efficiency** are designed to further improve business processes. NORMA Group is gearing all its internal processes to sustainable profitable growth. Among other things, the focus is on systematically standardizing IT systems and in particular expanding the use of the newly introduced ERP system. In addition, the measures are aimed at increasing delivery capability on the basis of more efficient processes. This step also involves reducing complexities within the supply and logistics chains, for example expanding direct deliveries to customers while at the same time reducing inventories. In summary, the goal here is to make NORMA Group’s future-proof products available to customers in a more time-optimized manner. Projects and processes are to be managed more uniformly and transparently overall, and internal reporting is to be geared even more closely to targets and measures.

“Step Up” is now fully integrated into the company as a focused continuous improvement tool. More than 300 initiatives have been launched to date in the areas of “Growth” and “Operational Efficiency.” A comprehensive project management, tracking and reporting system is also being implemented. Additional information on the “Step Up” growth and efficiency program is available in our [INVESTOR RELATIONS PRESENTATION](#).

Basic information on the organizational structure of NORMA Group (shown on the next page) can be found in the 2022 Annual Report, which is available electronically at: [WWW.NORMAGROUP.COM](http://WWW.NORMAGROUP.COM).

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**Organizational Structure of NORMA Group**



**Significant Announcements after the Quarterly Reporting Date**

**New Head of Investor Relations and Sustainability as of January 1, 2024**

Sebastian Lehmann will take over as Head of Investor Relations and Corporate Social Responsibility of NORMA Group in 2024. He succeeds Andreas Trösch, who is leaving the company at his own request at the end of the year 2023 to pursue new challenges after more than 12 years with the company.

**Adjustment of sales forecast for fiscal year 2023 and specification of further forecast components**

On November 2, 2023, the Management Board of NORMA Group SE announced an adjustment to the sales forecast for fiscal year 2023 in an ad hoc announcement. Based on the current, preliminary sales figures for the month of October, reduced call-offs from automotive and supplier customers' expectations for the remainder of fiscal year 2023, the Management now expects organic Group sales growth in the range of around 0% to 1% compared to the previous year (previously: "medium single-digit organic Group sales growth"). Among other things, this is due to the consequences of strikes at US vehicle manufacturers, which are no longer expected to have any catch-up effects until the end of the fiscal year. In the EMEA and Asia-Pacific regions, offsets are also no longer expected due to the general market weakness. Further forecast components were also specified in the ad hoc announcement. The existing forecasts for the adjusted EBIT margin of around 8% and the net operating cash flow of around EUR 70 million were confirmed by the Executive Board. Further information on the adjustment to the sales forecast announced on November 2, 2023 and the relevant specifics can be found in detail in the section

[FORECAST FOR FISCAL YEAR 2023.](#)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from January 1 to September 30, 2023  
in EUR thousands

	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022
Revenue	297,125	318,595	936,102	940,884
Change in inventories of finished goods and work in progress	9,269	1,709	-7,711	4,552
Other own work capitalized	892	692	2,188	1,897
Cost of materials	-141,788	-150,710	-421,651	-446,807
<b>Gross profit</b>	<b>165,498</b>	<b>170,286</b>	<b>508,928</b>	<b>500,526</b>
Other operating income	4,047	6,668	14,115	20,137
Other operating expenses	-49,937	-58,312	-161,234	-163,421
Employee benefit expenses	-80,541	-76,808	-244,130	-234,339
Depreciation and amortization	-19,526	-20,484	-59,096	-59,938
<b>Operating profit</b>	<b>19,541</b>	<b>21,350</b>	<b>58,583</b>	<b>62,965</b>
Financial income	791	-1,274	3,016	426
Finance expenses	-7,420	-2,079	-18,757	-8,311
<b>Financial result - net</b>	<b>-6,629</b>	<b>-3,353</b>	<b>-15,741</b>	<b>-7,885</b>
<b>Profit before income taxes</b>	<b>12,912</b>	<b>17,997</b>	<b>42,842</b>	<b>55,080</b>
Income taxes	-5,832	-8,589	-17,425	-18,973
<b>PROFIT FOR THE PERIOD</b>	<b>7,080</b>	<b>9,408</b>	<b>25,417</b>	<b>36,107</b>
<b>Other comprehensive income in the period, net of taxes:</b>				
<b>Other comprehensive income in the period, net of taxes, that can be reclassified to profit or loss in the future</b>	<b>12,314</b>	<b>29,807</b>	<b>-3,076</b>	<b>70,935</b>
Adjustment item for translation differences (foreign operations)	12,085	27,816	-3,312	65,517
After-tax cash flow hedges	229	1,991	236	5,418
<b>Other comprehensive income in the period, net of taxes, that is not reclassified to profit or loss</b>	<b>—</b>	<b>-3</b>	<b>1</b>	<b>2,081</b>
Remeasurement of post-employment benefit obligations, net of taxes	—	-3	1	2,081
<b>Other comprehensive income in the period, net of taxes</b>	<b>12,314</b>	<b>29,804</b>	<b>-3,075</b>	<b>73,016</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>19,394</b>	<b>39,212</b>	<b>22,342</b>	<b>109,123</b>
<b>Profit for the period attributable to</b>				
Shareholders of the parent company	7,091	9,357	25,356	36,002
Non-controlling interests	-11	51	61	105
<b>Total comprehensive income attributable to</b>				
Shareholders of the parent company	19,405	39,077	22,316	108,953
Non-controlling interests	-11	135	26	170
	<b>19,394</b>	<b>39,212</b>	<b>22,342</b>	<b>109,123</b>
<b>(Un)diluted earnings per share (in EUR)</b>	<b>0.22</b>	<b>0.29</b>	<b>0.80</b>	<b>1.13</b>

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## Adjustments

NORMA Group adjusts certain expenses and income for the operational management of the Group. The adjusted results presented below are in line with management's view. Within operating profit (EBIT), only those expenses and income that are related to a business combination are adjusted. Within EBITA, depreciation of property, plant and equipment from purchase price allocations in the amount of EUR 0.6 million (Q1 - Q3 2022: EUR 0.9 million) and within EBIT additionally amortization of intangible assets from purchase price allocations in the amount of EUR 15.2 million (Q1 - Q3 2022: EUR 15.9 million) have been adjusted in the first nine months of 2023. Notional income taxes resulting from the adjustments are calculated using the tax rates of the respective local companies concerned and accounted for in adjusted earnings after taxes.

The following table shows earnings adjusted for the effects mentioned here:

Adjustments <sup>1</sup>			
in EUR thousands	Q1-Q3 2023 reported	Adjustments	Q1-Q3 2023 adjusted
<b>Revenue</b>	<b>936,102</b>	<b>0</b>	<b>936,102</b>
Change in inventories of finished goods and work in progress	-7,711	0	-7,711
Other own work capitalized	2,188	0	2,188
Cost of materials	-421,651	0	-421,651
<b>Gross profit</b>	<b>508,928</b>	<b>0</b>	<b>508,928</b>
Other operating income and expenses	-147,119	0	-147,119
Employee benefit expenses	-244,130	0	-244,130
<b>EBITDA</b>	<b>117,679</b>	<b>0</b>	<b>117,679</b>
Depreciation of property, plant and equipment	-40,283	640	-39,643
<b>EBITA</b>	<b>77,396</b>	<b>640</b>	<b>78,036</b>
Amortization of intangible assets	-18,813	15,238	-3,575
<b>Operating profit (EBIT)</b>	<b>58,583</b>	<b>15,878</b>	<b>74,461</b>
Financial result	-15,741	0	-15,741
<b>Earnings before income taxes</b>	<b>42,842</b>	<b>15,878</b>	<b>58,720</b>
Income taxes	-17,425	-3,994	-21,419
<b>Profit for the period</b>	<b>25,417</b>	<b>11,884</b>	<b>37,301</b>
Non-controlling interests	61	0	61
<b>Profit for the period attributable to shareholders of the parent company</b>	<b>25,356</b>	<b>11,884</b>	<b>37,240</b>
Earnings per share (in EUR)	0.80	0.37	1.17

<sup>1</sup>Discrepancies in decimal places may occur due to commercial rounding.

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## Notes to the Development of Sales and Earnings

### Order backlog returns to normal at the end of the current reporting quarter

As of September 30, 2023, NORMA Group's order backlog amounted to EUR 491.0 million and was thus 16.5% lower than on the reporting date of the previous year (September 30, 2022: EUR 588.2 million).

### Group sales down 0.5% in the third quarter of 2023

Group sales in the first nine months of 2023 amounted to EUR 936.1 million, down by a slight 0.5% on the same period of the previous year (Q1 - Q3 2022: EUR 940.9 million). This reflects negative translation effects from currency conversion of 2.0%. By contrast, organic sales growth amounted to 1.5%. This was mainly supported by price increase initiatives.

In the third quarter of 2023, NORMA Group generated sales of EUR 297.1 million. Compared to the same quarter of the previous year (Q3 2022: EUR 318.6 million), this represents a decline of 6.7%. This was mainly due to negative currency effects of 5.2%. In addition, organic sales growth in the third quarter of 2023 was negative at -1.5%. The main driver of this development was subdued business in EMEA and weak development in the Americas region. The latter was also partly caused by the strikes in the automotive industry in the US and the prioritization of profitable business.

### EJT business shows declining organic growth in the third quarter of 2023

NORMA Group's net sales in the EJT area – including the automotive business – reached a level of EUR 540.3 million from January to September 2023, an increase of 3.8% compared to the same period of the previous year (Q1 - Q3 2022: EUR 520.3 million). This includes organic sales growth of 5.9%. Price increase initiatives negotiated with customers also had a boosting effect. The positive development was partially dampened by currency effects (-2.0%).

Net sales of the EJT business amounted to EUR 171.2 million in the third quarter of 2023 (Q3 2022: EUR 181.8 million). Overall, this resulted in a decline of 5.8% compared to the same quarter of the previous year. Organic sales were 1.3% lower than in the same period of the previous year, while currency effects reduced sales by 4.5%. The reason for the downward trend can be found in the Americas region in particular. For instance, the previous year's quarter had been characterized by a strong catch-up momentum. In addition, the current strikes in the US automotive industry had a strong negative impact in the reporting period. These effects were only partially offset in the Americas region by the price increases negotiated with customers. The EMEA region showed subdued business development in the third quarter of 2023, the sales levels remained virtually unchanged from the same quarter of the previous year. In the Asia-Pacific region, positive impetus from good volume growth was offset by highly unfavorable currency effects.

### Sales in SJT business significantly lower than in the previous year due to external factors

In the SJT area, including the water and industrial business, NORMA Group posted net sales of EUR 391.7 million in the nine-month period of 2023, which represents a 5.2% decline in sales compared to January to September 2022 (Q1 - Q3 2022: EUR 413.3 million). Organic sales growth accounted for 3.2% of this decline, while currency effects reduced sales by another 2.0%. Price increase initiatives implemented vis-à-vis customers counteracted a further decline.

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Sales in the third quarter of 2023 in the SJT area amounted to EUR 124.5 million, compared to EUR 134.6 million in the same quarter of the previous year. This represents a decline of 7.5%, which is divided into a slight organic decline of 1.2% and negative currency effects (-6.3%). The lower sales were due to a continuing normalization in the US water business, which had recorded very strong organic growth in the same quarter of the previous year, as well as a lower demand in the general industry business. Conversely, although the Asia-Pacific region showed positive organic sales growth again, it also had to report significantly negative currency effects.

### Cost of materials and cost of materials ratio improve significantly

Cost of materials fell by 5.6% compared to the previous year and amounted to EUR 421.7 million in the first nine months of 2023 (Q1 - Q3 2022: EUR 446.8 million). The cost of materials ratio improved accordingly to 45.0% in the first nine months of 2023 (Q1 - Q3 2022: 47.5%). The cost of materials in the third quarter of 2023 was EUR 141.8 million (Q3 2022: EUR 150.7 million) and the cost of materials ratio reached 47.7% (Q3 2022: 47.3%).

Overall, NORMA Group's global purchasing organization managed to achieve significant cost reductions for key raw materials – including the granulate product group, for example, and in part also with regard to steel – as well as for sea freight and import freight in general. Alloy surcharges also continue to be at a significantly lower level compared to the same period of the previous year, which also had a positive impact on the costs of materials. In addition, inventories of finished goods and work in progress have declined this fiscal year. This has also had a positive effect on cost of materials.

The ratio of cost of materials to total output (sales plus changes in inventories and other own work capitalized) was 45.3% in the first nine months of the current fiscal year (Q1 - Q3 2022: 47.2%). This improvement can be explained by the reduction in inventories of finished goods and work in progress compared to the same period of the previous year (Q1 - Q3 2023: inventory reduction by EUR 7.7 million; Q1 - Q3 2022: inventory increase by EUR 4.6 million). This had a positive effect on the cost of materials ratio.

### Gross profit and gross margin improved compared to the previous year in the first nine months of 2023

Gross profit (sales less cost of materials plus changes in inventories and other own work capitalized) recorded an increase of 1.7% compared to the same period of the previous year (Q1 - Q3 2022: EUR 500.5 million) to EUR 508.9 million in the period from January to September 2023. The gross margin in the first nine months of 2023 amounted to 54.4% and thus improved significantly compared to the first nine months of the previous year (Q1 - Q3 2022: 53.2%). The main reason for this development was the lower cost of materials in the current fiscal year. On the other hand, the reduction in inventories of finished goods and work in progress in the first three quarters of 2023 in the amount of EUR 7.7 million (Q1 - Q3 2022: increase in inventories in the amount of EUR 4.6 million) as well as the slight decline in Group sales had a diminishing effect on the gross margin.

Gross profit in the third quarter of 2023 was EUR 165.5 million, down 2.8% year-on-year (Q3 2022: EUR 170.3 million). The gross margin increased to 55.7% in the third quarter of 2023, compared to 53.4% in the third quarter of 2022, with the higher build-up of inventories of finished goods and work in progress in the third quarter of 2023 in particular (Q3 2023: EUR 9.3 million; Q3 2022: EUR 1.7 million) having an increasing effect on the gross margin.

### Personnel cost ratio rises due to inflation

As of September 30, 2023, NORMA Group had 8,255 employees worldwide, including temporary workers (September 30, 2022: 8,962). Of these, 6,051 employees are attributable to the core workforce (September 30, 2022: 6,199). The number of permanent employees was thus 2.4% lower than in the previous year, while the total

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workforce decreased by 7.9% compared to the same date last year. This decline is attributable to a reduction in the number of temporary employees in the Americas region in particular.

**Development of the Workforce by Segment**

	Sep 30, 2023	Sep 30, 2022	Change (in %)
EMEA	3,406	3,456	-1.4%
Americas	1,433	1,480	-3.2%
Asia-Pacific	1,212	1,263	-4.0%
<b>Core workforce</b>	<b>6,051</b>	<b>6,199</b>	<b>-2.4%</b>
Temporary workers	2,204	2,763	-20.2%
<b>Total workforce</b>	<b>8,255</b>	<b>8,962</b>	<b>-7.9%</b>

Employee benefit expenses totaled EUR 244.1 million in the first nine months of 2023, up 4.2% compared to the same period of the previous year (Q1 - Q3 2022: EUR 234.3 million) despite the overall lower headcount. The increase is mainly due to inflation-related wage increases as well as a greater need for overtime as part of reducing production backlogs. The personnel cost ratio thus increased to 26.1% in the first nine months of 2023 (Q1 - Q3 2022: 24.9%).

Personnel expenses in the third quarter of 2023 amounted to EUR 80.5 million and were thus 4.9% higher than in the same quarter of the previous year (Q3 2022: EUR 76.8 million). The personnel cost ratio deteriorated to 27.1% compared to the same quarter of the previous year (Q3 2022: 24.1%).

**Other operating income and expenses slightly higher**

The balance of other operating income and expenses rose to EUR -147.1 million in the first nine months of fiscal year 2023, which is 2.7% higher than in the same period of the previous year (Q1 - Q3 2022: EUR -143.3 million). The ratio of other operating income and expenses to sales in the period from January to September 2023 was 15.7% (Q1 - Q3 2022: 15.2%).

Other operating income totaled EUR 14.1 million in the first nine months of 2023 (Q1 - Q3 2022: EUR 20.1 million). It mainly includes currency gains from operating activities of EUR 6.8 million (Q1 - Q3 2022: EUR 11.6 million) and income of EUR 2.9 million from the reversal of liabilities (Q1 - Q3 2022: EUR 3.7 million).

Other operating expenses amounted to EUR 161.2 million in the current reporting period, compared to EUR 163.4 million in the first nine months of 2022. Other operating expenses mainly include expenses for temporary workers and other personnel-related expenses (Q1 - Q3 2023: EUR 42.3 million; Q1 - Q3 2022: EUR 39.3 million). In addition, a significant share of other operating expenses is also attributable to freight costs (Q1-Q3 2023: EUR 31.5 million; Q1 - Q3 2022: EUR 32.7 million), consulting and marketing (Q - Q3 2023: EUR 16.0 million; Q1-Q3 2022: EUR 15.1 million), and IT and telecommunications expenses (Q1 - Q3 2023: EUR 19.0 million; Q1 - Q3 2022: EUR 24.2 million). The latter are related to the Group-wide implementation of a new ERP system and the resulting additional need for consulting services and license fees.

The balance of other operating income and expenses amounted to EUR -45.9 million in the third quarter of 2023, an 11.1% decline compared to the same quarter of the previous year (Q3 2022: EUR -51.6 million). The ratio in relation to sales amounted to 15.4% (Q3 2022: 16.2%).

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### Operating profit and adjusted EBIT margin

Operating profit adjusted for amortization of tangible and intangible assets from purchase price allocations, i.e. the adjusted EBIT, amounted to EUR 74.5 million in the current reporting period. Adjusted EBIT was thus 6.6% lower in the first nine months of 2023 than in the same period of the previous year (Q1 - Q3 2022: EUR 79.7 million). In the period from January to September 2023, it was mainly impacted by higher employee benefit expenses than in the previous year due to inflation. The adjusted EBIT margin in the first nine months of 2023 was 8.0% (Q1 - Q3 2022: 8.5%).

Adjusted EBIT in the third quarter of 2023 fell by 8.3% to EUR 24.8 million compared to the same quarter of the previous year (Q3 2022: EUR 27.0 million). The adjusted EBIT margin amounted to 8.3% and was thus nearly at the level of the same quarter of the previous year (Q3 2022: 8.5%).

### NORMA Value Added (NOVA)

NORMA Value Added (NOVA) amounted to EUR -25.1 million in the first nine months of 2023 and was thus significantly lower than in the same period of the previous year (Q1 - Q3 2022: EUR -4.7 million). This was mainly due to the lower adjusted EBIT compared to the previous year, higher capital costs and a higher tax rate.

### Financial result

The financial result amounted to EUR -15.7 million in the period January to September 2023 and thus deteriorated noticeably compared to the previous year (Q1-Q3 2022: EUR -7.9 million). This is primarily due to the effects of the interest rate increases in the US dollar and euro area. For instance, net interest expense increased significantly in the first nine months of 2023 (Q1-Q3 2023: EUR -14.0 million; Q1 - Q3 2022: EUR -7.4 million). An increase in other financial expenses (Q1 - Q3 2023: EUR -1.5 million; Q1 - Q3 2022: EUR -0.9 million) also had a negative impact on the financial result in the nine-month period of 2023.

The financial result in the third quarter of 2023 amounted to EUR -6.6 million (Q3 2022: EUR -3.4 million).

### Adjusted income taxes and tax rate

Adjusted income taxes totaled EUR 21.4 million in the period from January to September 2023 (Q1 - Q3 2022: EUR 23.2 million). Measured against adjusted pre-tax earnings of EUR 58.7 million (Q1 - Q3 2022: EUR 71.8 million), this results in a tax rate of 36.5% (Q1 - Q3 2022: 32.3%). The above-average tax rate is mainly due to the non-recognition of deferred tax assets on loss carryforwards.

### Adjusted net profit and adjusted earnings per share in the nine-month period of 2023 below prior-year period

Adjusted earnings for the period (after taxes) amounted to EUR 37.3 million in the current reporting period, down 23.3% year-on-year (Q1 - Q3 2022: EUR 48.6 million). Based on an unchanged number of 31,862,400 shares, adjusted earnings per share in the nine-month period of 2023 were also significantly below the previous year's figure at EUR 1.17 (Q1 - Q3 2022: EUR 1.52).

At EUR 11.0 million, adjusted earnings for the period in the third quarter of 2023 were 19.5% below the level of the same quarter of the previous year (Q3 2022: EUR 13.7 million). The resulting adjusted earnings per share reached EUR 0.35 (Q3 2022: EUR 0.43).



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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## Assets

in EUR thousands	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>Non-current assets</b>			
Goodwill	403,152	422,728	402,270
Other intangible assets	180,177	219,427	195,944
Property, plant and equipment	306,331	307,261	295,841
Other non-financial assets	2,151	2,177	2,353
Other financial assets	1,181	1,369	944
Contract assets	8	82	0
Derivative financial assets	6,496	7,406	6,162
Income tax assets	1,409	1,088	1,119
Deferred income tax assets	20,957	22,990	19,818
	<b>921,862</b>	<b>984,528</b>	<b>924,451</b>
<b>Current assets</b>			
Inventories	229,632	251,285	250,796
Other non-financial assets	30,565	25,718	23,064
Other financial assets	6,374	3,749	2,820
Derivative financial assets	266	797	713
Income tax assets	6,964	3,796	3,407
Trade and other receivables	211,043	231,974	186,309
Contract assets	364	54	450
Cash and cash equivalents	132,502	147,934	168,670
	<b>617,710</b>	<b>665,307</b>	<b>636,229</b>
<b>Total assets</b>	<b>1,539,572</b>	<b>1,649,835</b>	<b>1,560,680</b>

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### Equity and liabilities

in EUR thousands	Sep 30, 2023	Sep 30, 2022	Dec 31, 2022
<b>Equity</b>			
Subscribed capital	31,862	31,862	31,862
Capital reserve	210,323	210,323	210,323
Other reserves	25,065	80,638	28,106
Retained earnings	442,696	430,607	434,780
<b>Equity attributable to shareholders of the parent company</b>	<b>709,946</b>	<b>753,430</b>	<b>705,071</b>
Non-controlling interests	311	370	285
<b>Total equity</b>	<b>710,257</b>	<b>753,800</b>	<b>705,356</b>
<b>Debt</b>			
<b>Non-current liabilities</b>			
Pension obligations	9,252	13,516	9,174
Provisions	5,102	5,810	4,300
Loan liabilities	458,061	350,381	339,679
Other non-financial liabilities	672	811	671
Contract liabilities	102	222	0
Lease liabilities	33,395	33,819	30,173
Other financial liabilities	18	0	0
Deferred income tax liabilities	51,068	62,030	52,851
	<b>557,670</b>	<b>466,589</b>	<b>436,848</b>
<b>Current liabilities</b>			
Provisions	14,616	22,856	14,918
Loan liabilities	24,188	136,608	125,899
Other non-financial liabilities	46,103	43,178	39,958
Contract liabilities	601	647	1,295
Lease liabilities	10,194	11,402	10,576
Other financial liabilities	6,122	6,785	10,537
Derivative financial liabilities	1,116	5,550	1,578
Income tax liabilities	8,161	9,141	6,992
Trade and other payables	160,544	193,279	206,723
	<b>271,645</b>	<b>429,446</b>	<b>418,476</b>
<b>Total liabilities</b>	<b>829,315</b>	<b>896,035</b>	<b>855,324</b>
<b>Total equity and liabilities</b>	<b>1,539,572</b>	<b>1,649,835</b>	<b>1,560,680</b>

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## Notes to the Asset and Financial Position

### Total assets

Total assets amounted to EUR 1,539.6 million as of September 30, 2023, down 1.4% compared to the end of 2022 (Dec 31, 2022: EUR 1,560.7 million). Compared to September 30, 2022 (EUR 1,649.8 million), total assets declined by 6.7%.

### Non-current assets

Non-current assets amounted to EUR 921.9 million as of September 30, 2023, a slight drop of 0.3% compared to the end of 2022 (Dec 31, 2022: EUR 924.5 million). The decline is mainly due to amortization within other intangible assets, which more than compensated for the investing activities. By contrast, property, plant and equipment recorded an increase of EUR 10.5 million or 3.5% compared to the previous year's reporting date, due in particular to additions in the area of assets under construction and the capitalization of rights of use for leased land and buildings.

From January to September 2023, a total of EUR 55.6 million was invested in non-current assets (Q1 - Q3 2022: EUR 58.1 million). Of this amount, EUR 10.3 million was recognized as additions to non-current assets for the capitalization of rights of use for leased land and buildings (Q1 - Q3 2022: EUR 20.1 million). Capital expenditure included own work capitalized in the amount of EUR 2.2 million (Q1 - Q3 2022: EUR 1.9 million). The focus of investing activities in the first nine months of 2023 was on the US and China. There were no disposals of any significance.

Non-current assets as a percentage of total assets amounted to 59.9% as of the reporting date September 30, 2023 (Dec 31, 2022: 59.2%).

### Current assets

Current assets totaled EUR 617.7 million as of the balance sheet date, a decrease of 2.9% compared to the end of 2022 (Dec 31, 2022: EUR 636.2 million).

This decrease is mainly due to a strong decline in inventories (-8.4%) and cash and cash equivalents (-21.4%). The dividend payment of EUR 17.5 million to the shareholders of NORMA Group SE in May 2023 was also a key factor in the decline in cash and cash equivalents to EUR 132.5 million (Dec 31, 2022: EUR 168.7 million). The planned reduction in inventories was responsible for the decline in inventories. The high level of inventories at the end of fiscal year 2022 was due in particular to special effects in the course of production relocations and the expiry of production cycles at customers.

By contrast, trade receivables increased compared to the end of the previous year, in particular due to seasonal factors and the reduction in receivables sold under the ABS and factoring programs.

Current assets accounted for 40.1% of total assets as of September 30, 2023 (Dec 31, 2022: 40.8%).

Compared to the reporting date of the previous year, current assets decreased by 7.2% (September 30, 2022: EUR 665.3 million). This development was primarily caused by a decrease in inventories (-8.6%) and trade and other receivables (-9.0%).

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### (Trade) working capital increased

(Trade) working capital (inventories plus receivables less payables, in each case mainly trade payables) amounted to EUR 280.1 million as of September 30, 2023, an increase of 21.6% compared to the end of 2022 (Dec 31, 2022: EUR 230.4 million). The significantly lower level of trade payables as of September 30, 2023, compared to the end of 2022 (-22.3%) was the main reason for this. Following a targeted build-up of inventories due to the difficult situation on the procurement market at the end of 2022, inventories were reduced as planned during the first nine months of the current fiscal year (-8.4%). The increased level of trade receivables as of September 30, 2023, (+13.3%) had a counteracting effect.

Compared to the previous year's reporting date (Sep 30, 2022: EUR 290.0 million), (trade) working capital fell by 3.4%. Following a planned increase in inventories as of the previous year's reporting date, there was a targeted reduction in inventories in the first nine months of 2023 (-8.6%). In addition, trade receivables were down (-9.0%). The simultaneous reduction in trade payables (-16.9%) counteracted this effect.

### Other non-financial assets

Other non-financial assets are as follows:

#### Other non-financial assets

in EUR thousands	Sep 30, 2023	Dec 31, 2022
Prepaid expenses and deferred charges	7,462	6,214
Sales tax assets	16,188	12,797
Prepayments made	3,497	2,235
Consideration payable to a customer	2,586	2,675
Other assets	2,983	1,494
	<b>32,716</b>	<b>25,415</b>

### Equity ratio remains at a high level

Group equity amounted to EUR 710.3 million as of September 30, 2023. Compared to the end of 2022 (Dec 31, 2022: EUR 705.4 million), this equates to an increase of 0.7%. The equity ratio was 46.1% as of the quarterly reporting date (Dec 31, 2022: 45.2%). Equity changed in the first nine months of 2023 mainly due to the net result for the period (EUR +25.4 million), negative currency translation differences (EUR -3.3 million) as well as cash flow hedges (EUR +0.2 million) and dividend payments (EUR -17.5 million).

### Net debt

Net debt was EUR 400.6 million as of September 30, 2023, compared to EUR 349.8 million at the end of 2022, an increase of 14.5% or EUR 50.8 million. The reason for this increase was the net cash outflow from total cash inflows from operating activities of EUR 41.9 million, net cash outflows from the procurement and disposal of non-current assets of EUR 44.6 million and from the dividend payment of EUR 17.5 million. Furthermore, current interest expenses of EUR 15.7 million in the first nine months of 2023 and the increase in lease liabilities of EUR 12.4 million due to additions in the right-of-use area increased net debt.

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Gearing (net debt in relation to equity) was 0.6, a similar level as at the end of 2022 (Dec 31, 2022: 0.5). The leverage covenant (net debt excluding hedging derivatives in relation to adjusted EBITDA for the last twelve months) was 2.6 as of September 30, 2023 (Dec 31, 2022: 2.2).

NORMA Group's net financial debt is as follows:

<b>Net Financial Debt</b>		
in EUR thousands	Sep 30, 2023	Dec 31, 2022
Loans	482,249	465,578
Derivative financial instruments - hedge accounting	1,116	1,578
Lease liabilities	43,589	40,749
Other financial liabilities	6,140	10,537
<b>Financial liabilities</b>	<b>533,094</b>	<b>518,442</b>
Cash and cash equivalents	132,502	168,670
<b>Net debt</b>	<b>400,592</b>	<b>349,772</b>

### Financial liabilities

As of September 30, 2023, NORMA Group's financial liabilities increased by 2.8% to EUR 533.1 million compared to December 31, 2022 (EUR 518.4 million).

The increase in liabilities from leases resulted from additions in the area of rights of use due to newly concluded lease agreements, which more than compensated for the changes due to repayments (payment of lease installments). The reduction in liabilities from ABS and factoring in the area of other financial liabilities had an offsetting effect on the change in financial liabilities.

NORMA Group successfully completed its refinancing in the third quarter of 2023 by taking out a new promissory note loan with a sustainability component in the amount of EUR 120 million. In the course of this, loans in the amount of EUR 104.6 million were repaid and loans in the amount of EUR 119.4 million were taken out in the first nine months of the fiscal year.

The maturities of the syndicated loans and the promissory note loans as of September 30, 2023, are as follows:

### Maturity of Loans in 2023

in EUR thousands	up to 1 year	> 1 year up to 2 years	> 2 years up to 5 years	> 5 years
Syndicated bank facilities, net	15,000		254,301	26,500
Promissory note, net	2,000	16,000	162,000	
Commercial paper	5,000			
<b>Total</b>	<b>22,000</b>	<b>16,000</b>	<b>416,301</b>	<b>26,500</b>

Non-current liabilities totaled EUR 557.7 million as of September 30, 2023, an increase of 27.7% or EUR 120.8 million compared to the end of 2022 (Dec 31, 2022: EUR 436.8 million). This primarily resulted from the increase in non-current loan liabilities by 34.9% or EUR 118.4 million, which is attributable to the refinancing in the third

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quarter of 2023 mentioned above. In addition, lease liabilities increased by 10.7% or EUR 3.2 million compared to December 31, 2022.

Current liabilities amounted to EUR 271.6 million as of the reporting date of the current reporting quarter and thus declined by 35.1% or EUR 146.8 million compared to the end of 2022 (Dec 31, 2022: EUR 418.5 million), primarily due to the repayment of loans mentioned earlier. In addition, trade payables and other liabilities declined significantly by 22.3% or EUR 46.2 million.

### Other non-financial liabilities

Other non-financial liabilities are as follows:

Other non-financial liabilities		
in EUR thousands	Sep 30, 2023	Dec 31, 2022
<b>Non-current</b>		
Government grants	308	349
Other liabilities	364	322
	672	671
<b>Current</b>		
Government grants	289	452
Tax liabilities (excluding income taxes)	6,461	5,133
Liabilities for social security	5,684	4,637
Personnel-related liabilities (e.g. vacation, bonuses, rewards)	33,063	29,039
Other liabilities	616	697
	<b>46,113</b>	<b>39,958</b>
<b>Total other non-financial liabilities</b>	<b>46,785</b>	<b>40,629</b>

### Derivative financial instruments

#### Foreign currency derivatives

As of September 30, 2023, foreign currency derivatives with a fair value of EUR 0.0 million were held to hedge cash flows. Furthermore, foreign currency derivatives with a positive fair value of EUR 0.3 million and foreign currency derivatives with a negative fair value of EUR 1.1 million were held to hedge changes in fair value.

The foreign currency derivatives used to hedge cash flows are used to hedge against fluctuations in the exchange rate arising from operating activities. Foreign currency derivatives used to hedge changes in fair value are used to hedge external financing liabilities, bank balances denominated in foreign currencies, and intercompany monetary items against fluctuations in the exchange rate.

#### Interest rate hedging instruments

Portions of NORMA Group's external financing were hedged against interest rate fluctuations using interest rate swaps. Interest rate hedges with a positive fair value of EUR 6.5 million were held as of September 30, 2023.

# CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousands	Q3 2023	Q3 2022	Q1-Q3 2023	Q1-Q3 2022
<b>Operating activity</b>				
<b>Profit for the period</b>	<b>7,080</b>	<b>9,408</b>	<b>25,417</b>	<b>36,107</b>
Depreciation and amortization	19,526	20,484	59,096	59,938
Gain (-) / loss (+) on disposal of property, plant and equipment	94	16	-22	-1,730
Change in provisions	833	2,250	1,054	1,513
Change in deferred taxes	243	-3,901	-3,165	-9,384
Change in inventories, trade receivables and other assets not attributable to investing or financing activities	13,473	-12,598	-20,285	-86,261
Change in trade payables and other liabilities not attributable to investing or financing activities	3,813	-6,226	-32,677	8,502
Change in liabilities from reverse factoring programs	-3,839	-43	-3,496	3,230
Disbursements for share-based payments	—	—	-530	-578
Interest expenses for the period	6,537	2,680	16,171	7,560
Income (-) / expenses (+) from the valuation of derivatives	-571	1,355	865	3,770
Other non-cash expenses (+) / income (-)	1,725	-981	-573	-3,081
<b>Cash outflow from operating activities</b>	<b>48,914</b>	<b>12,444</b>	<b>41,855</b>	<b>19,586</b>
thereof cash inflow from interest received	432	174	969	417
thereof cash outflow from income taxes	-7,944	-9,834	-23,289	-23,298
<b>Investing activities</b>				
Acquisition of intangible assets and property, plant and equipment	-13,752	-17,423	-45,799	-38,808
Proceeds from the sale of property, plant and equipment	428	84	1,152	6,912
<b>Cash outflow for investing activities</b>	<b>-13,324</b>	<b>-17,339</b>	<b>-44,647</b>	<b>-31,896</b>
<b>Financing activities</b>				
Interest paid	-6,385	-3,822	-14,352	-7,216
Dividends paid to shareholders	—	0	-17,524	-23,897
Dividends paid to non-controlling interests	—	5	—	-135
Proceeds from loans	106,150	28,765	119,400	47,167
Repayment of loans	-100,083	-28,691	-109,044	-41,950
Repayment of hedging derivatives	111	48	-879	-221
Repayment of lease liabilities	-3,115	-3,187	-9,171	-10,710
<b>Cash outflow/inflow from financing activities</b>	<b>-3,322</b>	<b>-6,882</b>	<b>-31,570</b>	<b>-36,962</b>
<b>Net change in cash and cash equivalents</b>	<b>32,268</b>	<b>-11,777</b>	<b>-34,362</b>	<b>-49,272</b>
Cash and cash equivalents at the beginning of the fiscal year	99,315	155,101	168,670	185,719
Effects of currency translation on cash and cash equivalents	919	4,610	-1,806	11,487
<b>Cash and cash equivalents at the end of the period</b>	<b>132,502</b>	<b>147,934</b>	<b>132,502</b>	<b>147,934</b>

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## Notes to the Consolidated Statement of Cash Flows

### Group-wide financial management

A detailed overview of NORMA Group's general financial management can be found in the [2022 ANNUAL REPORT](#)

### Net operating cash flow

Net operating cash flow amounted to EUR 25.6 million in the reporting period January to September 2023, an increase of EUR 19.7 million compared to the same period in 2022 (Q1 - Q3 2022: EUR 6.0 million). This increase is mainly due to a significantly lower build-up of (trade) working capital (EUR 48.6 million) as of September 30, 2023, compared to the end of 2022. The reduction in inventories as of September 30, 2023, was the main contributor to this development.

As of September 30, 2022, the build-up of (trade) working capital amounted to EUR 81.6 million compared to the end of 2021.

Capital expenditures of EUR 43.4 million were incurred in the period from January to September 2023 (Q1 - Q3 2022: EUR 35.3 million). The focus of investment activity in the first nine months of 2023 was on the expansion of production capacities in the US and China.

### Cash flow from operating activities

Cash flow from operating activities reached a level of EUR 41.9 million in the first nine months of 2023. Compared to the same period of the previous year (Q1 - Q3 2022: EUR 19.6 million), this represents an increase of EUR 22.3 million.

Cash flow from operating activities is influenced by the change in current assets, provisions and liabilities (excluding liabilities related to financing activities).

As in the previous year, the company participates in a reverse factoring program, a factoring program and an ABS program. The liabilities in the reverse factoring program are reported under trade and similar payables. The cash flows from the reverse factoring, factoring and ABS programs are reported under cash flows from operating activities, as this corresponds to the economic substance of the transactions.

The cash flows from interest paid are shown under cash flows from financing activities.

### Cash flow from investing activities

Cash flow from investing activities amounted to EUR -44.6 million in the first nine months of 2023 (Q1 - Q3 2022: EUR -31.9 million) and was attributable to net cash outflows from the acquisition and disposal of non-current assets in the amount of EUR 44.6 million (Q1 - Q3 2022: EUR 31.9 million). This includes the change in liabilities for the acquisition of intangible assets and property, plant and equipment in the amount of EUR -2.4 million (Q1 - Q3 2022: EUR -3.5 million).

In the same period of 2022, cash flow from investing activities included a cash inflow from a sale-and-leaseback transaction in the amount of EUR 6.1 million.



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**Cash flow from financing activities**

Cash flow from financing activities amounted to EUR -31.6 million in the first nine months of 2023 (Q1 - Q3 2022: EUR -37.0 million). It mainly includes net payments for loans in the amount of EUR 14.8 million (Q1 - Q3 2022: EUR 7.3 million). These are comprised of proceeds from loans in the amount of EUR 119.4 million (Q1 - Q3 2022: EUR 43.8 million) and repayments of loans in the amount of EUR -104.6 million (Q1 - Q3 2022: EUR -39.8 million) as part of the refinancing in the third quarter of 2023 mentioned earlier.

The proceeds from borrowings in the reporting period of the previous year also include a cash inflow from a sale-and-leaseback transaction in the amount of EUR 3.3 million.

Cash flow from financing activities also includes repayments of liabilities from ABS and factoring in the amount of EUR -4.5 million (Q1 - Q3 2022: EUR -2.1 million).

Furthermore, cash flow from financing activities includes additional repayments of lease liabilities of EUR -9.2 million (Q1 - Q3 2022: EUR -10.7 million) as well as payments for interest (Q1 - Q3 2023: EUR -14.4 million; Q1 - Q3 2022: EUR -7.2 million) and payments for dividends to the shareholders of NORMA Group SE of EUR -17.5 million (Q1 - Q3 2022: EUR -23.9 million).

# DEVELOPMENT OF THE SEGMENTS

for the period from January 1 to September 30, 2023

	EMEA		Americas		Asia-Pacific		Segments total		Central functions		Consolidation		Group	
	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022
in EUR thousands														
Total segment revenue	419,538	390,528	422,831	449,578	135,835	140,296	978,204	980,402	31,430	29,816	-73,532	-69,334	936,102	940,884
thereof inter-segment revenue	25,462	24,535	7,789	8,297	8,853	6,685	42,104	39,517	31,430	29,816	-73,536	-69,333	—	—
<b>External sales</b>	<b>394,076</b>	<b>365,993</b>	<b>415,042</b>	<b>441,281</b>	<b>126,982</b>	<b>133,611</b>	<b>936,100</b>	<b>940,885</b>	<b>—</b>	<b>—</b>	<b>2</b>	<b>-1</b>	<b>936,102</b>	<b>940,884</b>
Contribution to external Group sales	42.1%	38.9%	44.3%	46.9%	13.6%	14.2%	100.0%	100.0%						
Gross profit	214,128	200,752	230,104	235,225	65,542	65,874	509,774	501,851	k.A.	k.A.	-846	-1,325	508,928	500,526
<b>EBITDA</b>	<b>34,987</b>	<b>32,135</b>	<b>68,781</b>	<b>77,931</b>	<b>20,040</b>	<b>21,439</b>	<b>123,808</b>	<b>131,505</b>	<b>-7,048</b>	<b>-9,069</b>	<b>919</b>	<b>467</b>	<b>117,679</b>	<b>122,903</b>
EBITDA margin <sup>2</sup>	8.3%	8.2%	16.3%	17.3%	14.8%	15.3%							12.6%	13.1%
Depreciation excluding PPA amortization <sup>3</sup>	-15,228	-14,736	-15,970	-14,973	-7,813	-6,835	-39,011	-36,544	-633	-750	1	1	-39,643	-37,293
<b>Adjusted EBITA<sup>1</sup></b>	<b>19,759</b>	<b>17,399</b>	<b>52,811</b>	<b>62,958</b>	<b>12,227</b>	<b>14,604</b>	<b>84,797</b>	<b>94,961</b>	<b>-7,681</b>	<b>-9,819</b>	<b>920</b>	<b>468</b>	<b>78,036</b>	<b>85,610</b>
Adjusted EBITA margin <sup>1,2</sup>	4.7%	4.5%	12.5%	14.0%	9.0%	10.4%							8.3%	9.1%
Amortization of intangible assets excluding PPA amortization <sup>3</sup>	-1,248	-1,645	-1,878	-2,297	-202	-457	-3,328	-4,399	-247	-1,523	—	1	-3,575	-5,921
<b>Adjusted EBIT<sup>1</sup></b>	<b>18,511</b>	<b>15,754</b>	<b>50,933</b>	<b>60,661</b>	<b>12,024</b>	<b>14,147</b>	<b>81,468</b>	<b>90,562</b>	<b>-7,927</b>	<b>-11,341</b>	<b>920</b>	<b>468</b>	<b>74,461</b>	<b>79,689</b>
Adjusted EBIT margin <sup>1,2</sup>	4.4%	4.0%	12.0%	13.5%	8.9%	10.1%							8.0%	8.5%
Assets <sup>4</sup>	641,259	644,561	705,867	721,827	255,350	268,156	1,602,476	1,634,544	261,998	270,319	-324,902	-344,183	1,539,572	1,560,680
Liabilities <sup>5</sup>	234,267	242,004	262,081	288,077	46,294	56,372	542,642	586,453	580,616	575,564	-293,943	-306,693	829,315	855,324
CAPEX <sup>6</sup>	14,551	13,117	23,323	15,156	7,336	9,598	45,210	37,871	292	323	k.A.	-179	45,502	38,015
Number of employees <sup>7</sup>	3,294	3,347	1,450	1,451	1,239	1,312	5,983	6,110	134	129	k.A.	k.A.	6,117	6,239

<sup>1</sup>The adjustments are explained in the section [ADJUSTMENTS](#).

<sup>2</sup>Based on segment sales.

<sup>3</sup>Depreciation from purchase price allocations.

<sup>4</sup>Including allocated goodwill; taxes are included in the column "consolidation"; Prior-year figures as of Dec. 31, 2022.

<sup>5</sup>Taxes are included in the column "consolidation"; Prior-year figures as of Dec. 31, 2022.

<sup>6</sup>Including capitalized rights of use for movable assets.

<sup>7</sup>Number of employees (average).

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## Notes to the Development of the Segments

The share of sales generated by foreign Group companies amounted to 87.9% in the first nine months of 2023 (Q1-Q3 2022: 87.6%). As a result, the share increased compared to the same period of the previous year.

### EMEA

In the period from January to September 2023, sales (external sales) in the EMEA region totaled EUR 394.1 million and thus exceeded the previous year's figure (Q1-Q3 2022: EUR 366.0 million) by 7.7. Organic growth amounted to 8.2. Currency effects had a marginal negative impact of 0.6%.

NORMA Group's sales in the EMEA region amounted to EUR 119.3 million in the third quarter of 2023 and were 0.5 below the level of the same quarter of the previous year (Q3 2022: EUR 119.9 million) due to negative currency effects.

The main driver of the good development in the EMEA region in the first nine months of 2023 was an increase in the volume business in the European automotive industry compared to the weak prior-year period as well as price increases negotiated with customers. As a result, NORMA Group reported sales of EUR 295.5 million in the EJT area in the first nine months of 2023 (Q1-Q3 2022: EUR 269.7 million). The Standardized Joining Technology business also grew slightly (Q1-Q3 2023: EUR 95.6 million; Q1-Q3 2022: EUR 92.7 million). However, a flatter development was seen in all major customer industries in the third quarter compared to the strong first two quarters of 2023. Overall, the EMEA region's share of Group sales increased to 42% in January to September 2023 (Q1-Q3 2022: 39%).

Adjusted EBIT in the EMEA region amounted to EUR 18.5 million in the first nine months of the current fiscal year, an increase of 17.1% compared to the same period of the previous year (Q1-Q3 2022: EUR 15.8 million). The adjusted EBIT margin reached a level of 4.4% (Q1-Q3 2022: 4.0%). The improvement resulted on the one hand from the higher level of sales compared to the previous year, and on the other hand a reduction in special freight charges had a positive effect on the adjusted EBIT margin. By contrast, the development of operating profit in the EMEA region was negatively impacted by higher personnel costs in connection with the reduction of production backlogs during the first nine months of 2023.

Capital expenditure in the EMEA region increased significantly compared to the same quarter of the previous year to EUR 14.6 million (Q1-Q3 2022: EUR 13.1 million). They mainly related to the sites in the UK, Poland, and Germany.

### Americas

In the Americas region, external sales of EUR 415.0 million were generated in the period from January to September 2023, down 5.9% year-on-year (Q1-Q3 2022: EUR 441.3 million). Organic sales growth amounted to -4.4%. Price increases that were successfully implemented could only compensate for the decline in sales due to lower volumes to a limited extent. Currency effects related to the US dollar had a negative impact (-1.6%).

Total net sales in the Americas region amounted to EUR 132.9 million in the third quarter of 2023, a decline of 12.4% (organic: -5.6%) compared to the third quarter of the previous year (Q3 2022: EUR 151.7 million). Currency effects had an additional negative impact of 6.8%.

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While organic sales in the US water business fell by -3.2% in the first nine months of 2023 compared to the exceptionally good prior-year period and due to a weather-related special effect in the first half of 2023, organic growth (+4.1%) was achieved in the third quarter of 2023 compared to the same quarter of the previous year. In addition to pleasing volume growth, price increase initiatives also boosted organic sales in the Americas region in the third quarter of 2023. Overall, there is a prioritization of earnings quality over pure order growth. By contrast, industrial business in the Americas region was weak. As a result, sales of the SJT business in the period from January to September 2023 fell visibly short of the previous year's level (Q1-Q3 2023: EUR 257.4 million; Q1-Q3 2022: EUR 275.0 million). Sales in the EJT area also declined noticeably compared to the high basis of comparison in the same period of the previous year (Q1-Q3 2023: EUR 156.9 million; Q1-Q3 2022: EUR 163.2 million). The current strikes, which affected a large part of the US automotive industry and consequently resulted in lower customer demand, also had a reinforcing effect. The Americas region accounted for 44% of total sales in the first nine months of 2023 (Q1-Q3 2022: 47%).

Adjusted EBIT in the Americas region fell by 16.0% to EUR 50.9 million in the first nine months of 2023 (Q1-Q3 2022: EUR 60.7 million). Among other factors, currency effects in the US dollar region had a negative impact here. The adjusted EBIT margin was 12.0% (Q1-Q3 2022: 13.5%). The margin in the Americas region was impacted by inflation-related higher personnel costs combined with a significantly lower level of sales. By contrast, the adjusted EBIT margin was relieved in part by lower prices for certain materials.

In the period from January to September 2023, investments of EUR 23.3 million were made in the Americas region (Q1-Q3 2022: EUR 15.2 million), which mainly related to the expansion of production capacities in the water business of the subsidiary NDS in the US.

### Asia-Pacific

External sales in the Asia-Pacific region totaled EUR 127.0 million in the first nine months of 2023, represents a year-on-year decline of 5.0% (Q1-Q3 2022: EUR 133.6 million). This was mainly due to negative currency effects (-7.5%), while organic sales growth was 2.5%.

In the third quarter of 2023, total sales in the Asia-Pacific region of EUR 45.0 million were 4.4% lower than in the same quarter of 2022 (Q3 2022: EUR 47.0 million). Organic sales growth amounted to 7.6%. This was offset by negative currency effects (-12.0%).

The decline in sales was triggered by a downward trend in the SJT business (Q1-Q3 2023: EUR 38.6 million; Q1-Q3 2022: EUR 45.7 million). This affected both the water and industrial businesses in the Asia-Pacific region. This was triggered by the after-effects of the corona pandemic, which had a negative impact primarily in the first quarter. This was compounded by delays to a government project in India. In the EJT area, NORMA Group again recorded an increase in volume business with higher demand from the Chinese automotive industry. Nevertheless, revenues influenced by negative currency effects were nearly at the previous year's level (Q1-Q3 2023: EUR 87.9 million; Q1-Q3 2022: EUR 87.4 million). The Asia-Pacific region accounted for around 14% of Group sales in the current reporting period (Q1-Q3 2022: 14%).

Adjusted EBIT in the Asia-Pacific region declined to EUR 12.0 million (Q1-Q3 2022: EUR 14.1 million). The adjusted EBIT margin also declined noticeably. It amounted to 8.9% (Q1-Q3 2022: 10.1%). The margin in the Asia-Pacific region was negatively impacted primarily by the significantly lower level of sales and the simultaneous increase in the fixed cost structure. In addition, the decline in the margin was also due to higher operating expenses, among other reasons in connection with the expansion of production in China.

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Capital expenditures in the Asia-Pacific region amounted to EUR 7.3 million in the first nine months of 2023 (Q1-Q3 2022: EUR 9.6 million). They were mainly attributable to the expansion of production capacities in China.

# FORECAST FOR FISCAL YEAR 2023

## Adjustment of sales forecast for fiscal year 2023 and specification of further forecast components

On November 2, 2023, the Management Board of NORMA Group SE adjusted its forecast for sales in fiscal year 2023. Based on the current, preliminary sales figures for the month of October, reduced call-offs from automotive and supplier customers as well as the expectations for the rest of fiscal year 2023, the management now expects organic Group sales growth in the range of around 0% to 1% compared to the previous year (previously: "medium single-digit organic Group sales growth").

Among other things, the reasons include consequences of the strikes at US-American car manufacturers, which are no longer expected to have any catch-up effects until the end of the fiscal year. In the EMEA and Asia-Pacific regions, offsets are also no longer expected due to the general market weakness.

The expectations outlined are to be reflected in the sales channels and regional segments as follows:

In the EJT sales channel, with the associated automotive business, low single-digit organic sales growth is now expected in connection with the adjusted sales forecast in the 2023 fiscal year (previously: "medium single-digit organic sales growth"). For the SJT area and the associated water and industrial business, the Executive Board is forecasting a low single-digit organic sales decline in the 2023 fiscal year (previously: "mid single-digit organic sales growth").

For the Americas region, the Management Board now anticipates a low to medium single-digit decline in organic sales in the 2023 fiscal year (previously: "low single-digit organic sales growth"). In the EMEA region, based on management expectations, low to medium single-digit organic sales growth is forecasted for the 2023 fiscal year (previously: "medium single-digit organic sales growth"). Similarly, low to medium single-digit organic sales growth is assumed for the Asia-Pacific region in the fiscal year 2023 (previously: "organic sales growth in the low double-digit range").

In the ad hoc announcement dated November 2, 2023, further forecast components were also specified, which are explained below:

Based on the development of cost of materials in the first nine months of 2023, the Management Board expects an overall improvement in the cost of materials ratio in fiscal year 2023 compared to the previous year (previously: "stable cost of materials ratio compared to the previous year").

With regard to the personnel cost ratio, the Management Board expects an increase compared to the previous year due to the inflation-driven increase in personnel expenses for the full year 2023 (previously: "stable personnel cost ratio compared to the previous year").

With regard to the development of the financial result, taking the increase in interest rates in the US dollar and euro area and the resulting effects into account, it is assumed that this will reach a level of up to EUR -22 million in fiscal year 2023 (previously: "of up to EUR -15 million").

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With regard to the adjusted tax rate, the Management Board has specified the corridor expected for the full year 2023 and now anticipates a figure between 35% and 39% (previously: "between 33% and 37%"). This is due to the non-recognition of deferred tax assets on loss carryforwards, which will have an increasing effect on the adjusted tax rate in fiscal year 2023.

In view of the more precise version of the financial result and the adjusted tax rate, the Management Board expects adjusted earnings per share to decrease in fiscal year 2023 compared to the previous year (previously: "moderate increase compared to the previous year").

Due to the significantly higher expected tax rate, NORMA Value Added (NOVA) is expected to lie within the range of EUR -45 million to EUR -30 million (previously: "Between EUR -10 million and EUR 10 million") in fiscal year 2023.

The other components of the forecast published with the 2022 Annual Report remain unchanged. As confirmed in the ad hoc announcement on November 2, 2023, the Management Board continues to expect an adjusted EBIT margin of around 8% and a net operating cash flow of around EUR 70 million in fiscal year 2023.

The Management Board's assumptions on the development in fiscal year 2023 are presented in the following table.

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### Forecast for fiscal year 2023

Organic Group sales growth	Organic Group sales growth in the range of around 0% until 1%
	EJT: Low single-digit organic sales growth
	SJT: Low single-digit organic sales decline
	EMEA: Low to medium single-digit organic sales growth
	Americas: Low to medium single-digit organic sales decline
	APAC: Low to medium single-digit organic sales growth
Cost of materials ratio	Improvement in cost of materials ratio compared to the previous year
Personnel cost ratio	Increase in personnel cost ratio compared to the previous year
R&D investment ratio <sup>1</sup>	Around 3% of sales
Adjusted EBIT margin	Around 8%
NORMA Value Added (NOVA)	Between EUR – 45 million and EUR – 30 million
Financial result	Up to EUR – 22 million
Adjusted tax rate	Between 35% and 39%
Adjusted earnings per share	Decrease compared to the previous year
Investment rate (excluding acquisitions)	Investment ratio between 5% and 6% of Group sales
Net operating cash flow	Around EUR 70 million
Dividend / pay-out ratio	Approx. 30% to 35% of adjusted Group net income for the year
CO <sub>2</sub> emissions	Below 9,800 tons of CO <sub>2</sub> equivalents
Number of invention applications	More than 20
Number of defective parts (parts per million / PPM)	Below 5.5

<sup>1</sup>Due to the increasing strategic relevance of the area of water management, NORMA Group includes the R&D expenses in this area in the calculation from the reporting year 2020 onwards and uses total sales as a reference value to determine the R&D ratio (previously 5% of EJT sales).

This forecast has been made on the assumption that in the course of the year 2023 there will be no further significant negative effects in connection with the corona pandemic, in particular in China, the war in Ukraine, the current events in Israel and the effects of these, or other geopolitical factors worldwide, that could have a significant negative impact on NORMA Group's business development.



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# FURTHER INFORMATION

## Financial Calendar, Contact and Imprint

### Financial Calendar 2024

Datum	Events
Feb 13, 2024	Publication of Preliminary Financial Results 2023
Mar 26, 2024	Publication of Annual Financial Statements 2023
May 7, 2024	Publication of First Quarter 2024 Interim Statement
May 16, 2024	Annual General Meeting 2024
Aug 13, 2024	Publication of Second Quarter 2024 Interim Report
Nov. 5, 2024	Publication of Third Quarter 2024 Interim Statement

The financial calendar is constantly updated. Please visit the company website for the latest updates [WWW.NORMAGROUP.COM](http://WWW.NORMAGROUP.COM).

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**Design and Realization**

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**Note to the Interim Statement**

This Interim Statement is also available in German; if there are differences between the two, the German version takes precedence.

**Note on Rounding**

Minor discrepancies in the amounts stated or percentage changes in different places of this report are possible due to commercial rounding.

**Forward-looking Statements**

This Interim Statement contains certain forward-looking statements. Forward-looking statements are all statements that do not relate to historical facts and events and include such forward-looking terminology as “believe,” “estimate,” “assume,” “expect,” “anticipate,” “intend,” “may,” “will” or “should” or expressions of a similar kind. Such forward-looking statements are subject to risks and uncertainties because they relate to future events and are based on the company’s current assumptions that might not take place in the future or might not take place as expected. The company cautions that such forward-looking statements are not guarantees of future performance and that actual results, including the financial position and profitability of NORMA Group SE and the development of economic and regulatory conditions, can differ materially (in particular, on the downside) from those explicitly or implicitly assumed in these statements. Even if the actual results of NORMA Group SE, including its financial position and profitability and the economic and regulatory fundamentals, are in accordance with the forward-looking statements in this Annual Report, no guarantee can be given that this will continue to be the case in the future.